



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
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IN REPLY REFER TO:
UTU- 74631
(UTY-020)

JUN 30 2011

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Utah Energy Corporation	:	Plan of Operations Modification, UTU-
1300 S Highway 191	:	74631, Daneros Mine Project, Bullseye
PO Box 1346	:	Canyon, San Juan County, Utah
Moab, UT 84532	:	

Plan of Operations Modification Not Complete

Your proposed modification of the Daneros Mine Plan of Operations (plan modification) was received in this office on June 13, 2011. The Bureau of Land Management (BLM) has reviewed the plan modification to determine if it meets the content requirements at 43 CFR 3809.401(b). Based on our review, the following information is required and/or further clarification of information is needed in order for the plan modification to be complete:

1. Page 2, paragraph 2 - Refers to Utah Division of Oil, Gas and Mining (UDOGM) mine permit number. However, the proposal is to modify the Plan of Operations approved by the BLM. The BLM number for the Plan of Operations is UTU-74631. This number should be referenced.
2. Page 2, paragraph 3 - States that "a current application is being filed as a Notice of Intent to Commence Small Mining Operations Amendment" with the UDOGM. However, the UDOGM may now consider the operation to be a "Large Mining Operation" because of the proposed acreage increase. If so, this paragraph needs to be corrected.
3. Page 3, second bullet - Refers to one additional "off-site" storage area. This term is misleading as it implies that storage would be placed somewhere removed from the proposed modification area, such as state or private lands or distant BLM lands. Recommend deleting the term "off-site".
4. Page 3, paragraph 2 - To help clarify the scope of the plan modification and provide a concise summary of surface disturbance, a table is recommended that compares a breakdown of facilities or work areas and associated acreage between the approved plan of operations and the proposed modification.

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DIV. OF OIL, GAS & MINING

5. Page 3, paragraph 3 – Clarify that the “14 miles” distance from Fry Canyon is by road. The actual distance is probably 3-4 miles.
6. Page 3, paragraph 4 – The proposal is referred to as the Daneros Mine “amendment”. Pursuant to BLM regulations, the proposed changes constitute a “modification” of the plan of operations. Several other places in the text or figures it is referred to as an “amendment”, “expansion” or “supplemental mine plan”. Need to be consistent is using correct term.
7. Page 4, paragraph 1 –
 - Clarify that the increased production from 100,000 tons to 500,000 tons is cumulative production over the total life of mine (increased from 7 years to 20 years).
 - Need to explain how the 400,000 tons of increased cumulative mine production will be accomplished. Will it be done by maintaining the current production rate but increasing the mine life to 20 years or by increasing the production rate and also by increasing the mine life to 20 years?
 - Clarify “permitted production will double” since doubling cumulative production would be a total of 200,000 tons not 500,000 tons. Also, rather than stating that production will “double”, you should provide a specific amount. For example: average mine production over the life of the mine will increase from 1,200 tons/month to 2,400 tons/month. Need to show that the proposed production rates (day/month/year etc.) will achieve the 500,000 tons over the 20-year life of mine.
 - The specific increases in truck traffic (number of trips/day/month etc.) should be detailed.
 - New production schedule is needed which shows changes in manpower (men/shift shift/day etc.).
8. Page 4, paragraph 3 – The referenced attachments (Appendix 4.6 and Figure 6) are not included in the document.
9. Page 4, paragraph 4 – Specify size of generator and capacity fuel storage.
10. Page 5, paragraph 1 – Clarify how storage area 1, part B (11,810 cubic yards) can be used for both ore stockpile and waste rock disposal. Obviously it cannot be used for both purposes simultaneously. Where will ore be stockpiled in the event that the area is needed for future waste rock disposal?
11. Page 5, paragraph 5 – Refers to Exhibit B as being the project schedule. However, Exhibit B is Photographs. Need to include the project schedule.
12. Page 6, paragraph 1 – Refers to mining methods in Exhibit D but that exhibit is not included in the document.

13. Page 6, paragraph 6 – States that “fugitive dust from truck loading and transportation will double “. This statement must be supported by the new emissions inventory. As stated in item 7 above, you need to state specific increase in truck traffic. Increased truck traffic should be consistent with the numbers in emissions inventory.
14. Figures 3, 4 and 5 - Acreage shown for the proposed modification area is 9.8. However, the text states 7.9 acres. Need to be consistent.
15. Figure 3 - Show all approved facilities at the Daneros Mine including, the two vent boreholes and the area of development drilling. The legend should also indicate the approved acres of surface disturbance at the Daneros Mine (4.5 acres).
16. Large format map – This map should show all the approved facilities at the Daneros mine. Also, you need to reference this map in the text.
17. A reclamation cost estimate is required pursuant to 43 CFR 3809.401(d). The current approved reclamation bond for the Daneros Mine should be updated by itemizing the additional estimated costs associated with the proposed modification and then showing a new total estimated reclamation cost for the overall operation.
18. Delineate on one of the existing maps, or a new map, the area of the proposed modification that has historic surface disturbance and the area of proposed new surface disturbance. Indicate acres of each.
19. The table of contents should be updated by including the corrected appendices and figures.

If you have questions concerning our review of your plan modification, please contact Ted McDougall of my staff at 435-587-1512.

Sincerely,


Thomas A. Heinlein
Field Office Manager

cc:

Tom Munson
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
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